

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333

IN RE:

MALORY INVESTMENTS LLC
RONALD STEIN
SYLVIA GOROHOFF

ORDER TO CEASE AND
DECIST
08-015-CDO

FINDINGS OF FACT AND CONCLUSION OF LAW

1. Malory Investments, LLC ("Malory") (CRD # 110936), is a limited liability company formed in California on January 12, 2001, with a principal place of business at 10801 National Blvd, Suite 101, Los Angeles, California 90064, and a mailing address of 1351 Westwood Blvd. #102, Los Angeles, California 90024. At all relevant times, Malory was a securities broker-dealer.
2. Ronald Stein ("Stein") (CRD # 434761) is an individual who has been at all relevant times an owner and the managing member, chief executive officer, chief financial officer, chief compliance officer, and a control person of Malory.
3. Sylvia Gorohoff ("Gorohoff") (CRD# 4618885) is an individual who has acted at all relevant times as a sales representative of Malory.
4. In 2002 and early 2003, a resident of Franklin, Maine, ("the Maine resident") received telephone calls from a woman identifying herself as Gorohoff, who indicated she represented LifeLine Imaging, Inc. ("LifeLine").

5. Since 2001, LifeLine has sold securities in at least eight separate offerings that LifeLine claimed to be exempt from securities registration. Gorohoff solicited the Maine resident to purchase an investment in an offering known as LifeLine Imaging of Los Gatos, Medical Investment L.P.
6. As a result of Gorohoff's solicitation, in April of 2003 the Maine resident invested \$15,000 in LifeLine Imaging of Los Gatos, Medical Investment L.P.
7. On April 28, 2003, LifeLine made a notice filing with the Maine Office of Securities (the "Office") for LifeLine Imaging of Los Gatos, Medical Investments L.P.
8. The Maine resident has not received any funds back from LifeLine or Malory in connection with the investment.
9. According to the records of the Office, at all relevant times, Malory was not licensed as a broker-dealer to offer or sell securities in Maine and was not exempt from licensing.
10. According to the records of the Office, at all relevant times, Gorohoff was not licensed as a sales representative of Malory to offer or sell securities in Maine and was not exempt from licensing.
11. At all relevant times, it has been unlawful to transact business in Maine as a broker-dealer or sales representative of a broker-dealer unless licensed or exempt from licensing. 32 M.R.S.A. §§10301, 16702.
12. At all relevant times, it has been unlawful for a broker-dealer to employ or contract with a person as a sales representative in Maine unless the sales representative is licensed or exempt from licensing. 32 M.R.S.A. §§ 10301, 16702
13. As a control person and owner of Malory, Stein is liable for any violations of the Revised Maine Securities Act (the "Act") committed by Malory and Gorohoff to the same extent as Malory and Gorohoff unless Stein can prove that he did not

know, and in the exercise of reasonable care could not have known, of the existence of the facts by reason of which Malory's and Gorohoff's liability is alleged to exist. 32 M.R.S.A. §§ 10602, 16702

14. With respect to alleged violations of the Act, the Securities Administrator may, after notice and opportunity for a hearing, issue a cease and desist order if the Securities Administrator determines that the public interest or the protection of investors so requires. 32 M.R.S.A. §§10602, 16702
15. On January 2, 2008, the Securities Administrator issued a Notice of Intent to Issue a Cease and Desist Order on Malory, Stein, and Gorohoff ("Notice"), giving them thirty (30) days to request a hearing on the matter.
16. Malory, Stein, and Gorohoff have not requested a hearing or otherwise responded to the Notice.
17. Effective December 31, 2005, the Maine Uniform Securities Act, Title 32, Chapter 135, superseded the Act and governs conduct occurring after December 31, 2005.
18. In accordance with 5 M.R.S.A. § 9053(3), and Section 19(1) of Office of Securities Rule Chapter 540, the Securities Administrator may dispose of this proceeding by default.

FINAL ORDER

Now, THEREFORE, it is ORDERED that Malory, Stein, and Gorohoff CEASE AND DESIST from violating any provisions of the Maine Uniform Securities Act, including the prohibitions against transacting business as an unlicensed broker-dealer or unlicensed agent in Maine and employing or contracting with an unlicensed agent.

Pursuant to 32 M.R.S.A. §§10708, 16702, this is a final order, entered after notice and opportunity for a hearing. Pursuant to 32 M.R.S.A. §§ 10709 and 16702, Malory, Stein, and Gorohoff may obtain judicial review of the order in the Superior Court of Kennebec County by filing a petition within thirty (30) calendar days after receipt of this Order, in

accordance with 5 M.R.S.A § 11001 *et seq.* and Rule 80C of the Maine Rules of Civil Procedure.

Date: February 22, 2008

/s/ Bonnie E. Russell
Bonnie E. Russell
Acting Securities Administrator

Presented by:

Date: February 22, 2008

/s/ Christian D. Caruso
Christian D. Caruso
Investigator/Examiner